

REMARKS

Claims 1-13 are pending in this application. On February 13, 2006, an Appeal Brief was filed with the Board of Patent Appeals and Interferences appealing rejections of all claims as either anticipated or obvious. On March 28, 2007, the Board handed down a decision that reversed all rejections including the anticipation rejection of claims 1 –3 and the obviousness rejections of claims 4 –13. The decision further entered a new ground of rejection for claims 1 –13 under 35 USC § 101. Applicant hereby exercises the option to reopen prosecution.

Amendments to the Claims

Applicant requests that the above claim amendments be entered into this application. No new subject matter is being entered. Support for the amendments is in the specification, e.g., page 12, paragraph 2).

Rejection of Claims 1 - 13 under 35 USC § 101

The Board's new rejection centers on the issue of whether the claims are directed to a practical application of an abstract idea. (See page 6, paragraph 1 of the Board's Decision.) In defining a practical application, the Board stated "either a transformation of physical subject matter to a different state or thing or the production of a useful, concrete, and tangible result equates to a practical application of an abstract idea" (Id.)

Applicant's claimed invention satisfies both requirements. After Applicant's claimed invention is applied to customer records, the records are transformed to a *different state* that has additional information and is organized in such a way as to identify high value customers. Furthermore, the transformed records are useful, concrete and tangible. In a business setting, it is definitely useful to identify the high value customers for the business so that extra care can be taken to retain these customers. Because the acquisition cost for new customers is high, it is easy to justify spending some amount of money to retain customers and even more so with high value customers if they can be identified. The results are also concrete and tangible because the claimed invention specifically identifies the high value customers. The transformed records also

make high value customers clearly discernible. Therefore, Applicant's claimed invention is a practical application of an abstract idea and the subject matter is statutory under 35 USC § 101.

Rejection of Dependent Claims

Dependent claims are allowable over the cited references for at least the same reasons as their corresponding independent claims.

CONCLUSION

Applicant asks the Office to reconsider this application and allow all claims. Please charge any fees that might be due, excluding the issue fee, or credit any overpayment to deposit account 14-0225.

Respectfully Submitted,

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